

Budget Development

E-book summary

Budget Development is a practical e-book that helps technical and finance teams, coordinators, proposal developers, and consultants turn project activities into justified costs, a realistic schedule, and a clear critical path.

The e-book is based on one central idea:

The budget and schedule are two tests of feasibility: they must show how much the project will cost, how long it will take, and what must happen first to achieve the results.

The aim is to connect activities, resources, costs, responsibilities, and timing in one plan. Through exercises and tools, readers build a budget they can explain and a schedule that reflects actual implementation conditions.

1. The problem this e-book addresses

Many organizations have a well-designed intervention but use rough budget estimates and overly optimistic schedules. The challenge is to show that available resources and time are sufficient to deliver what was promised.

Common problems include:

- Defining activities too broadly to estimate their costs accurately.
- Estimating amounts without units, quantities, price sources, or clear assumptions.
- Overlooking logistics, administration, or monitoring and evaluation resources.
- Separating technical planning from the finance team's cost calculations.
- Presenting expenses without clear links to activities and results.
- Scheduling activities without allowing for procurement, recruitment, permits, and approvals.
- Failing to identify dependencies and delays that affect the project's completion date.
- Cutting costs or shortening timelines without reassessing which results remain achievable.

The e-book helps close these gaps. Readers learn to calculate and justify costs based on activities, sequence implementation, and decide what to adjust when the budget or time is insufficient.

2. What you will build

By the end of the process, readers will have a Budget, Costing, and Critical Path Toolkit: an integrated set of tools to review with their team, adapt to a funding call, and use as a basis for implementation.

The main deliverables are:

Deliverable	Status
1. Map of Activities to Be Costed	☐ Complete
2. Activity Costing Matrix	☐ Complete
3. Costing Assumptions Register	☐ Complete
4. Budget by Category	☐ Complete
5. Budget Narrative or Budget Justification	☐ Complete

Deliverable	Status
6. Activity–Cost–Result Matrix	☐ Complete
7. Implementation Schedule with durations, owners, and milestones	☐ Complete
8. Activity Dependency Map	☐ Complete
9. Project Critical Path	☐ Complete
10. Time and Cost Risk Matrix	☐ Complete
11. Budget and Schedule Feasibility Checklist	☐ Complete
12. Short Plan for Adjusting Scope, Cost, and Time	☐ Complete

The initial assessment identifies what needs to be clarified before budgeting. The resource inventory for each activity informs cost calculations, and the final exercise brings the deliverables together to check their consistency.

The outcome is a budget supported by calculations and assumptions, connected to results and to a schedule that shows dependencies, critical activities, and risks. Readers can explain what the project costs, why it costs that amount, and under what conditions it can be implemented.

3. How IGROW guides the process

IGROW structures each section to turn learning into a deliverable. In this e-book, **O** stands for **Operations**: the practical method for building budgeting and planning tools.

IGROW stage	How it applies in this e-book
I — Intention	Explain why each step matters and which risk it helps avoid: unsupported costs, omitted resources, or unrealistic timelines.
G — Goal	Defines the specific deliverable to build, from activities that can be costed to the integrated toolkit.
R — Reality	Examines available information, common errors, and real constraints in budget, time, and team capacity.
O — Operations	Applies methods, examples, and templates to calculate costs, document assumptions, organize the schedule, and identify dependencies and risks.
W — Way Forward	Completes and reviews each deliverable, connects it to the next, and consolidates the adjustments needed for a feasible plan.

4. What this e-book promises

This e-book does not promise budget approval or implementation without changes. It helps readers develop justified estimates, recognize risks, and make decisions before committing resources and timelines.

After completing the process and exercises, readers will have an activity-based budget organized by category, cost justifications, an implementation schedule, and a basic critical path. These are reviewed together and can be adapted to donor requirements.

The e-book turns activities and approximate amounts into a cost and time plan that helps readers assess project feasibility and make informed scope adjustments.

This helps readers move from saying:

“We have the activities and an approximate budget, but we do not know whether the money and time are enough to deliver what we promised.”

To say:

“We know what each activity costs, how to justify those costs, when it can take place, and how the activities depend on each other. We also know which risks monitoring and what to adjust if resources or deadlines change.”